



# MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

*Rely on us.*

TO: Commissioners Helgeson, Brown, Mital, Simpson and Carlson  
FROM: Rod Price, Engineering Manager  
DATE: March 22, 2017  
SUBJECT: Electric and Water 2017 Capital True Up and Budget Amendments  
OBJECTIVE: Board Action – Approval of 2017 Electric and Water Capital Budget Amendments

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## **Issue**

On April 4, 2017 EWEB Management will present to the Board the Electric and Water Capital True up along with the Electric Utility Budget Amendment (BAM) No. 1 and Water Utility BAM No. 2. Amended updates of both the Electric and Water 10-Year Capital Improvement Plans (CIPs) are also provided.

## **Background**

Each spring, the Board has asked that the Electric and Water Utilities present an updated view of the current year capital budget and updated 10-Year CIP based on projected expenses for the remainder of the year, along with any changes in revenue forecasts.

Changes in the projected capital expenditures for the current year may differ from what was originally budgeted for various reasons. These include such things as updated estimates, emerging capital priorities, resource constraints, or permitting delays. For the purpose of understanding the driver(s) behind each of items in the proposed amendments, they have been associated with the following in the Discussion section:

- 1) Carryover: Funding for projects that did not close out by year-end as planned.
- 2) Revised Estimates: Revisions to project budgets caused by a variance in scope, labor, material or construction costs, or a schedule shift on a multi-year project.
- 3) Emergent Priority: Project additions resulting from equipment failures or past due improvements that have been put off because of resource constraints or higher priority work.
- 4) Deferral: Capital projects that are being deferred due to changing priorities or alternatives, resource constraints, or funding source shortfalls.
- 5) Early Completion: Costs in excess of budget due to contractor completing work on a multi-year project ahead of schedule during the first year of budgeting.

## **Discussion**

The proposed changes in the Electric and Water Utility budgets are discussed below:

### Electric Capital Budget Summary

The 2017 Electric Utility Capital Budget (BAM No. 1) is being decreased by \$411,000. This is a result of various changes in Type 1, Type 2, and Type 3 projects. The projects most significant shifts are summarized below:

#### *Customer Driven Capital Expense - Type 1 (Revised Estimate)*

A decrease of \$2,430,000 is being proposed due to a reduction of \$1,830,000 in estimated customer driven projects and combined with the movement of \$600,000 to Type 2 work for the Downtown Fiber project.

#### *Electric Fleet – Type 1 (Revised Estimate)*

After review of the Fleet budget for Electric, the budget is being reduced by \$500,000 to reflect current priorities.

#### *Carmen Smith – Type 3 (Deferred)*

A decrease of \$1,260,000 is being proposed from postponement of detailed design of Trail Bridge fish passage improvements due to delay in FERC licensing.

#### *Grid Edge Project – Type 2 (Emergent)*

This project was initiated after initial 2017 budget was approved. The proposed change in budget is \$837,000 for 2017, with grant re-imbursements of \$80,000 expected. This is a multi-year project with further expenses of \$320,000 and grants of \$215,000 expected in 2018. The net cost to EWEB, after the grants are applied, is expected to be \$862,000.

#### *Holden Creek Substation -Type 2 (Carryover)*

This is a two year project that was initially expected to span 2015-2016. Permitting delays in 2016 deferred \$4,582,000 construction and procurement costs to 2017.

#### *Weyerhaeuser Land Purchase - Type 2 (Emergent)*

Property adjacent to the Thurston substation is being purchased to expand the Thurston substation as part of the Electric System Master Plan up-river reconfiguration. Purchase price is \$1,300,000 in 2017, with sale of surplus land to return estimated \$500,000 after property is subdivided in 2018.

#### *Predicted Year End Reserve balance (Revised Estimate)*

The proposed budget will result in a \$2,507,000 reduction to the Electric Capital Reserve. This is a result of expected reductions in Customer Driven capital work and an increase in the other Electrical Capital projects as noted above.

### Water Capital Budget Summary

The 2017 Water Utility Capital Budget (BAM No. 2) is being decreased by \$1,346,000. This is a result of various changes in Type 1, Type 2, and Type 3 projects which are summarized below:

#### *Hayden Bridge Disinfection System Replacement (Deferral)*

This project is a two year project in the CIP spanning both 2017 and 2018. Design will occur in 2017 with construction starting in late 2017 and lasting through 2018. It is proposed that \$845,000 be deferred to 2018 to reflect the timing of the bulk of the construction.

### *Hawkins Reservoir Structural Upgrades (Deferral)*

Similar to the previous project this is a two year project spanning both 2017 and 2018. With construction anticipated to occur in 2018, \$565,000 is being deferred. Note that the current costs in the CIP for this project are based on a previous structural evaluation completed approximately 10 years ago. We will be updating that evaluation as part of the design process to reflect changes in the structural code since the initial evaluation. If during this evaluation it is determined that the proposed improvements will significantly exceed the current estimate due to these changes, the timing of the reservoir upgrade may change.

### *Second Source Project (Carryover)*

An increase of \$1,300,000 is being proposed for land purchase for the new Water Filtration Plant. This purchase has been in the eminent domain legal process for some time. This month however, the property owners have accepted EWEB's offer for just compensation and it is anticipated the purchase will be completed in the next few months.

### *Water IT Capital (Revised Estimates)*

There are no Information Technology projects specific to the Water Utility planned for 2017 and \$110,000 is being removed from the budget.

### *Water Fleet (Revised Estimate)*

After review of the Fleet budget for Water, the budget is being reduced by \$500,000 to reflect current priorities.

### Shared Services Summary

Changes in shared services projects are included in the Electric and Water Utility budget amendments. Items under shared services specific to the Electric and Water Utility have been discussed in the sections above. These include Utility Specific IT Capital and Fleet.

For clarity, we have pulled out those major projects with funding split between Electric and Water and discussed them separately below;

### *AMI – Type 2 (Carryover)*

An increase of \$815,000 is being proposed to cover milestone payments for the meter management/collection software that were deferred from 2016.

### *CIS Replacement -Type 2 (Deferral)*

Project is projected to be delayed by 9 months deferring \$4,500,000 payment into 2018.

### **Recommendation / Requested Board Action**

Management is recommending and requesting Board approval of:

- 1) Budget Amendment No. 1. 2017 Electric utility Capital Budget
- 2) Budget Amendment No. 2. 2017 Electric utility Capital Budget

If you have any questions or wish to discuss please contact Rod Price, Engineering Manager at 541-685-7122 or email [rod.price@eweb.org](mailto:rod.price@eweb.org).

Attachments:

1. Revised Electric 10 Year CIP
2. Revised Water 10 Year CIP
3. 2017 Electric Utility Capital Budget BAM No. 1
4. 2017 Water Utility Capital Budget BAM No. 2

**Attachment 1**

**Electric Capital Improvement Plan: 2017-2026**

	2017 Revised	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	5-Year Total 2017-2021	5-Year Total 2022- 2026	10-Year Total
<b>General Funding</b>														
Capital Reserve Target	\$20,000,000	\$20,000,000	\$20,826,000	\$19,087,000	\$22,068,000	\$20,010,000	\$17,673,000	\$18,145,000	\$19,477,000	\$20,915,000	\$21,903,000			
Electric Rates - Operational Funding	\$18,665,000	\$18,665,000	\$18,665,000	\$18,665,000	\$18,665,000	\$18,665,000	\$18,665,000	\$18,665,000	\$18,665,000	\$18,665,000	\$18,665,000			
Customer-Driven Capital Re-Imbursement	NOTE (1) \$3,120,000	\$4,877,000	\$5,352,000	\$4,229,000	\$4,308,000	\$4,389,000	\$4,478,000	\$4,468,000	\$4,657,000	\$4,747,000	\$4,751,000			
Grant Funding	NOTE (2) \$80,000													
Interest Earnings on Reserve Fund (0.4% of Reserve Balance)	\$80,000	\$61,000	\$83,000	\$76,000	\$88,000	\$80,000	\$71,000	\$73,000	\$78,000	\$84,000	\$88,000			
<b>Total Funds:</b>	<b>\$41,945,000</b>	<b>\$43,603,000</b>	<b>\$44,926,000</b>	<b>\$42,057,000</b>	<b>\$45,129,000</b>	<b>\$43,144,000</b>	<b>\$40,887,000</b>	<b>\$41,351,000</b>	<b>\$42,877,000</b>	<b>\$44,411,000</b>	<b>\$45,407,000</b>			
<b>Type 1 - General Capital</b>														
Electric Infrastructure - Generation	\$1,196,000	\$1,196,000	\$1,865,000	\$717,000	\$2,210,000	\$1,585,000	\$1,115,000	\$500,000	\$500,000	\$500,000	\$500,000	\$7,573,000	\$3,115,000	\$10,688,000
Customer-Driven Capital Expense	NOTE (3) \$2,650,000	\$5,080,000	\$5,560,000	\$4,440,000	\$4,524,000	\$4,608,000	\$4,702,000	\$4,796,000	\$4,890,000	\$4,984,000	\$5,088,000	\$24,212,000	\$24,460,000	\$48,672,000
Electric Infrastructure - Transmission & Distribution	NOTE (4) \$6,345,000	\$6,681,000	\$5,965,000	\$5,870,000	\$6,210,000	\$6,330,000	\$6,460,000	\$6,590,000	\$6,720,000	\$6,850,000	\$6,980,000	\$31,056,000	\$33,600,000	\$64,656,000
Telecom - EWEB Driven	\$100,000	\$100,000	\$102,000	\$104,000	\$106,000	\$108,000	\$110,000	\$112,000	\$114,000	\$116,000	\$118,000			
Information Services (IS) - Shared & Electric	NOTE (5) \$562,000	\$494,000	\$1,638,000	\$984,000	\$1,694,000	\$1,584,000	\$984,000	\$984,000	\$984,000	\$984,000	\$1,324,000	\$6,394,000	\$5,260,000	\$11,654,000
General Plant - Buildings & Land	\$1,074,000	\$1,074,000	\$500,000	\$510,000	\$520,000	\$530,000	\$540,000	\$550,000	\$560,000	\$570,000	\$580,000	\$3,134,000	\$2,800,000	\$5,934,000
General Plant - Fleet	NOTE (6) \$500,000	\$1,000,000	\$1,020,000	\$1,040,000	\$1,061,000	\$1,082,000	\$1,104,000	\$1,126,000	\$1,149,000	\$1,172,000	\$1,195,000	\$5,203,000	\$5,746,000	\$10,949,000
<b>Total Type 1 Expenditures</b>	<b>\$12,427,000</b>	<b>\$15,625,000</b>	<b>\$16,650,000</b>	<b>\$13,665,000</b>	<b>\$16,325,000</b>	<b>\$15,827,000</b>	<b>\$15,015,000</b>	<b>\$14,658,000</b>	<b>\$14,917,000</b>	<b>\$15,176,000</b>	<b>\$15,785,000</b>	<b>\$78,092,000</b>	<b>\$75,551,000</b>	<b>\$153,643,000</b>
<b>Type 2 - Rehabilitation &amp; Expansion Projects</b>														
<u>Type 2 - Bond (Non-Rate) Funds Allocated</u>														
<b>Total Type 2 Bond (Non-Rate) Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<u>Type 2 - Rehabilitation &amp; Expansion Project Expenditures</u>														
Downtown Distribution Network	\$1,000,000	\$1,000,000	\$1,500,000	\$2,000,000	\$1,500,000	\$2,000,000	\$1,500,000	\$2,000,000	\$1,500,000	\$2,000,000	\$1,500,000	\$8,000,000	\$8,500,000	\$16,500,000
Downtown Fiber Project	NOTE (7) \$600,000													
Advanced Meters (Electric)	\$375,000	\$375,000	\$688,000	\$750,000	\$750,000	\$750,000	\$650,000	\$525,000	\$525,000	\$525,000	\$525,000	\$3,313,000	\$2,750,000	\$6,063,000
Generation - Type 2 Strategic Project(s)	\$0	\$0	\$275,000	\$20,000	\$600,000	\$0	\$4,895,000	\$2,125,000	\$0	\$0	\$0	\$895,000	\$7,020,000	\$7,915,000
Grid Edge Demonstration Project	NOTE (8) \$837,000													
Electric T & D - Type 2 Strategic Project(s)	NOTE (9) \$4,582,000	\$250,000	\$2,750,000	\$1,750,000	\$1,000,000	\$1,750,000	\$500,000	\$1,500,000	\$5,000,000	\$4,500,000	\$2,500,000	\$7,500,000	\$14,000,000	\$21,500,000
Information Technology - Type 2 Strategic Project(s)	NOTE (10) \$2,505,000	\$5,527,000	\$3,976,000	\$1,804,000	\$4,944,000	\$5,144,000	\$182,000	\$1,066,000	\$20,000	\$307,000	\$2,052,000	\$21,395,000	\$3,627,000	\$25,022,000
Buildings & Land - Type 2 Strategic Project(s)	NOTE (11) \$1,300,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Type 2 Capital Expenditures (Bond, Customer, &amp; Rate Funded)</b>	<b>\$11,199,000</b>	<b>\$7,152,000</b>	<b>\$9,189,000</b>	<b>\$6,324,000</b>	<b>\$8,794,000</b>	<b>\$9,644,000</b>	<b>\$7,727,000</b>	<b>\$7,216,000</b>	<b>\$7,045,000</b>	<b>\$7,332,000</b>	<b>\$6,577,000</b>	<b>\$41,103,000</b>	<b>\$35,897,000</b>	<b>\$77,000,000</b>
<b>Type 2 - Rate-Funded Capital Expenditures</b>	<b>\$11,199,000</b>	<b>\$7,152,000</b>	<b>\$9,189,000</b>	<b>\$6,324,000</b>	<b>\$8,794,000</b>	<b>\$9,644,000</b>	<b>\$7,727,000</b>	<b>\$7,216,000</b>	<b>\$7,045,000</b>	<b>\$7,332,000</b>	<b>\$6,577,000</b>	<b>\$41,103,000</b>	<b>\$35,897,000</b>	<b>\$77,000,000</b>
<b>Type 1 + Type 2 Rate-Funded Capital Expenditures</b>	<b>\$23,626,000</b>	<b>\$22,777,000</b>	<b>\$25,839,000</b>	<b>\$19,989,000</b>	<b>\$25,119,000</b>	<b>\$25,471,000</b>	<b>\$22,742,000</b>	<b>\$21,874,000</b>	<b>\$21,962,000</b>	<b>\$22,508,000</b>	<b>\$22,362,000</b>	<b>\$119,195,000</b>	<b>\$111,448,000</b>	<b>\$230,643,000</b>
<b>Type 3 - Strategic Projects &amp; Programs</b>														
<u>Type 3 - Bond (Non-Rate) Funds Allocated</u>														
Carmen-Smith Bond/Dedicated Funds	\$11,700,000	\$12,960,000	\$6,470,000	\$20,528,000	\$29,619,000	\$17,112,000	\$10,571,000	\$5,330,000	\$2,990,000	\$5,900,000	\$7,550,000	\$86,689,000	\$32,341,000	\$119,030,000
<u>Type 3 - Expenditures</u>														
Carmen-Smith Expenditures	NOTE (12) \$11,700,000	\$12,960,000	\$6,470,000	\$20,528,000	\$29,619,000	\$17,112,000	\$10,571,000	\$5,330,000	\$2,990,000	\$5,900,000	\$7,550,000	\$86,689,000	\$32,341,000	\$119,030,000
<b>Total Expenditures</b>	<b>\$35,326,000</b>	<b>\$35,737,000</b>	<b>\$32,309,000</b>	<b>\$40,517,000</b>	<b>\$54,738,000</b>	<b>\$42,583,000</b>	<b>\$33,313,000</b>	<b>\$27,204,000</b>	<b>\$24,952,000</b>	<b>\$28,408,000</b>	<b>\$29,912,000</b>	<b>\$205,884,000</b>	<b>\$143,789,000</b>	<b>\$349,673,000</b>
<b>Predicted Year-End Reserve Balance</b>	<b>\$18,319,000</b>	<b>\$20,826,000</b>	<b>\$19,087,000</b>	<b>\$22,068,000</b>	<b>\$20,010,000</b>	<b>\$17,673,000</b>	<b>\$18,145,000</b>	<b>\$19,477,000</b>	<b>\$20,915,000</b>	<b>\$21,903,000</b>	<b>\$23,045,000</b>			

(a) - Capital Reserve Uses Starting Value

End of 2021      End of 2026      End of 2026

**NOTES:**

- (1) Decreased \$1.76MM due to less anticipated customer work.
- (2) Grid Edge Demonstration Project Federal & State grants. \$80k expected reimbursement in 2017, \$215k expected in 2018.
- (3) Revised estimate for customer re-imbursable work reduced by \$2.4MM, \$850k of the reduction associated with funds moved to Type 2 Downtown Fiber Project.
- (4) Adjusted pre-cap Meter & XFMR budgets removing labor per accounting policy resulting in \$336k decrease.
- (5) Increase due to emergency SAN (Storage Area Network) replacement; increase of \$168k shared and decrease of \$100k electric specific IT.
- (6) Fleet spending for 2017 decreased by \$500k.
- (7) Transfer of Telecom Type 1 Customer Driven work to Type 2 Downtown Fiber Project; \$600k planned spending in 2017, \$1.5MM in 2018 (reimbursable from City of Eugene).
- (8) Grid Edge Demonstration Project finalized after final 2017 Budget approved; remaining to be spent in 2018 of \$320k.
- (9) Holden Creek Substation new build budget moved from 2016 Budget due to FERC license delays; budget amount revised per scope and construction bids.
- (10) Increase of \$668k for AMI spending associated with 2016 contract payments and a reduction of \$3.69MM for CIS to be deferred.
- (11) Weyerhaeuser Property Purchase for use in Thurston Substation Expansion project. Expected to recoup ~\$500k from sales after the land is subdivided.
- (12) Reduction in planned spending associated with postponement of fish mitigation design and implementation due to license delay.

**Attachment 2  
Water Capital Improvement Plan: 2017-2026 April 2017 True Up Adjustment**

<b>Funds Available</b>	<b>2017 Revised</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>5 Year Total 2017-2021</b>	<b>5 Year Total 2022-2026</b>	<b>10 Year Total</b>
Capital Reserve Target (Includes Bond Funds)- Prior Year End	\$ 18,192,000	\$ 17,153,000	\$ 12,281,000	\$ 32,233,000	\$ 15,601,000	\$ 7,423,000	\$ 11,892,000	\$ 7,400,000	\$ 7,437,000	\$ 7,474,000	\$ 7,511,000			
Bond Proceeds	\$ -	\$ -	\$ 30,000,000	\$ -	\$ -	\$ 23,500,000	\$ -	\$ -	\$ -	\$ -	\$ -			
Capital Reserve Target (Includes Bond Funds)	\$ 18,192,000	\$ 17,153,000	\$ 42,281,000	\$ 32,233,000	\$ 15,601,000	\$ 30,923,000	\$ 11,892,000	\$ 7,400,000	\$ 7,437,000	\$ 7,474,000	\$ 7,511,000			
<b>Annual Revenue</b>														
Customer Contributions	\$ 1,133,000	\$ 1,133,000	\$ 1,167,000	\$ 1,202,000	\$ 1,238,000	\$ 1,275,000	\$ 1,313,000	\$ 1,353,000	\$ 1,393,000	\$ 1,435,000	\$ 1,478,000			
Water Rates and Reserves <sup>1</sup>	\$ 9,223,000	\$ 9,223,000	\$ 9,206,000	\$ 14,619,000	\$ 26,962,000	\$ 15,185,000	\$ 10,286,000	\$ 14,916,000	\$ 14,075,000	\$ 15,226,000	\$ 17,966,000			
SDC	\$ 412,000	\$ 412,000	\$ 424,000	\$ 437,000	\$ 450,000	\$ 464,000	\$ 478,000	\$ 492,000	\$ 507,000	\$ 522,000	\$ -			
Interest Earnings on Capital Reserve Fund	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 37,000	\$ 37,000	\$ 37,000	\$ 37,000	\$ 37,000	\$ 38,000			
Interest Earnings on Bond Reserve Fund	\$ 38,000	\$ 38,000	\$ 75,000	\$ 83,000	\$ 21,000	\$ 11,000	\$ 11,000							
Subtotal - Annual Revenue	\$ 10,842,000	\$ 10,842,000	\$ 10,908,000	\$ 16,377,000	\$ 28,707,000	\$ 16,972,000	\$ 12,125,000	\$ 16,798,000	\$ 16,012,000	\$ 17,220,000	\$ 19,482,000			
<b>Total Funds</b>	\$ 29,034,000	\$ 27,995,000	\$ 53,189,000	\$ 48,610,000	\$ 44,308,000	\$ 47,895,000	\$ 24,017,000	\$ 24,198,000	\$ 23,449,000	\$ 24,694,000	\$ 26,993,000			
<b>Expenditures</b>														
<b>Type 1 - General Capital (rate funded)</b>														
Source - Intake and Hayden Bridge	\$ 1,030,000	\$ 1,030,000	\$ 477,000	\$ 328,000	\$ 338,000	\$ 348,000	\$ 358,000	\$ 369,000	\$ 380,000	\$ 391,000	\$ 403,000	\$ 2,521,000	\$ 1,901,000	\$ 4,422,000
Distribution - Pump Stations & Reservoirs	\$ 1,339,000	\$ 1,339,000	\$ 1,114,000	\$ 929,000	\$ 1,182,000	\$ 696,000	\$ 776,000	\$ 799,000	\$ 823,000	\$ 848,000	\$ 874,000	\$ 5,260,000	\$ 4,120,000	\$ 9,380,000
Distribution - Pipelines	\$ 4,378,000	\$ 4,378,000	\$ 4,986,000	\$ 5,813,000	\$ 5,200,000	\$ 5,356,000	\$ 5,517,000	\$ 5,682,000	\$ 5,852,000	\$ 6,028,000	\$ 6,209,000	\$ 25,733,000	\$ 29,288,000	\$ 55,021,000
Distribution - Services & Meters	\$ 1,803,000	\$ 1,803,000	\$ 1,857,000	\$ 1,912,000	\$ 1,970,000	\$ 2,029,000	\$ 2,090,000	\$ 2,152,000	\$ 2,217,000	\$ 2,283,000	\$ 2,352,000	\$ 9,571,000	\$ 11,094,000	\$ 20,665,000
Information Technology	Note (1) \$ 123,354	\$ 196,000	\$ 316,000	\$ 216,000	\$ 216,000	\$ 216,000	\$ 216,000	\$ 216,000	\$ 216,000	\$ 216,000	\$ 241,000	\$ 1,160,000	\$ 1,205,000	\$ 2,365,000
Buildings & Land	\$ 248,000	\$ 248,000	\$ 108,000	\$ 117,000	\$ 113,000	\$ 108,000	\$ 225,000	\$ 144,000	\$ 144,000	\$ 144,000	\$ 144,000	\$ 694,000	\$ 801,000	\$ 1,495,000
Fleet	Note (2) \$ 110,000	\$ 610,000	\$ 626,000	\$ 641,000	\$ 657,000	\$ 674,000	\$ 690,000	\$ 708,000	\$ 725,000	\$ 708,000	\$ 708,000	\$ 3,208,000	\$ 3,539,000	\$ 6,747,000
<b>Total Type 1 Expenditures</b>	\$ 9,031,354	\$ 9,604,000	\$ 9,484,000	\$ 9,956,000	\$ 9,676,000	\$ 9,427,000	\$ 9,972,000	\$ 10,070,000	\$ 10,357,000	\$ 10,618,000	\$ 10,931,000	\$ 48,147,000	\$ 51,948,000	\$ 100,095,000
<b>Type 2 - Rehabilitation &amp; Expansion Projects (rate &amp; bond funded)</b>														
<b>Rate Funded Type 2 Projects</b>														
Information Technology	Note (3) \$ 550,000	\$ 1,213,000	\$ 873,000	\$ 106,000	\$ 646,000	\$ 277,000	\$ 18,000	\$ 234,000	\$ -	\$ 63,000	\$ 450,000	\$ 3,115,000	\$ 765,000	\$ 3,880,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 216,000	\$ -	\$ -	\$ -	\$ 63,000	\$ -	\$ 216,000	\$ 63,000	\$ 279,000
Subtotal - Rate Funded Projects	\$ 550,000	\$ 1,213,000	\$ 873,000	\$ 106,000	\$ 646,000	\$ 493,000	\$ 18,000	\$ 234,000	\$ -	\$ 126,000	\$ 450,000	\$ 3,331,000	\$ 828,000	\$ 4,159,000
<b>Bond Eligible Type 2 Projects</b>														
Source - Intake and Hayden Bridge	Note (4) \$ 2,245,000	\$ 3,090,000	\$ 2,440,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,530,000	\$ -	\$ 5,530,000
Distribution - Pump Stations & Reservoirs	Note (5) \$ 712,000	\$ 1,277,000	\$ 1,316,000	\$ 2,513,000	\$ 6,078,000	\$ 4,405,000	\$ 6,627,000	\$ 6,457,000	\$ 5,618,000	\$ 6,439,000	\$ 8,063,000	\$ 15,589,000	\$ 33,204,000	\$ 48,793,000
Distribution - Pipelines	\$ -	\$ -	\$ 1,061,000	\$ 1,093,000	\$ 563,000	\$ 1,159,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,876,000	\$ -	\$ 3,876,000
Subtotal - Bond Eligible Projects	\$ 2,957,000	\$ 4,367,000	\$ 4,817,000	\$ 3,606,000	\$ 6,641,000	\$ 5,564,000	\$ 6,627,000	\$ 6,457,000	\$ 5,618,000	\$ 6,439,000	\$ 8,063,000	\$ 24,995,000	\$ 33,204,000	\$ 58,199,000
<b>Total Type 2 Expenditures</b>	\$ 3,507,000	\$ 5,580,000	\$ 5,690,000	\$ 3,712,000	\$ 7,287,000	\$ 6,057,000	\$ 6,645,000	\$ 6,691,000	\$ 5,618,000	\$ 6,565,000	\$ 8,513,000	\$ 28,326,000	\$ 34,032,000	\$ 62,358,000
<b>Type 3 - Strategic Projects &amp; Programs (bond funded)</b>														
Alternative Water Supply	Note (6) \$ 1,830,000	\$ 530,000	\$ 5,782,000	\$ 19,341,000	\$ 19,922,000	\$ 20,519,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,094,000	\$ -	\$ 66,094,000
<b>Total Type 3 Expenditures</b>	\$ 1,830,000	\$ 530,000	\$ 5,782,000	\$ 19,341,000	\$ 19,922,000	\$ 20,519,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,094,000	\$ -	\$ 66,094,000
<b>Total Expenditures</b>	\$ 14,368,354	\$ 15,714,000	\$ 20,956,000	\$ 33,009,000	\$ 36,885,000	\$ 36,003,000	\$ 16,617,000	\$ 16,761,000	\$ 15,975,000	\$ 17,183,000	\$ 19,444,000	\$ 142,567,000	\$ 85,980,000	\$ 228,547,000
<b>Predicted YE Capital Reserve Target. (Includes Bond Funds)</b>	\$ 14,665,646	\$ 12,281,000	\$ 32,233,000	\$ 15,601,000	\$ 7,423,000	\$ 11,892,000	\$ 7,400,000	\$ 7,437,000	\$ 7,474,000	\$ 7,511,000	\$ 7,549,000			

**Notes**

- (1) Increase of ~\$37,000 in Shared IT and a reduction of ~\$110,000 in water specific IT
- (2) Water Fleet spending for 2017 decreasing by \$500,000
- (3) Increase of \$147,000 in AMI and a \$810,000 reduction in CIS
- (4) Reduction of \$845,000 in Hayden Bridge Disinfection System Funds - Will be shifted to 2018 to reflect construction timing.
- (5) Reduction of \$565,000 in Hawkins Hill Reservoir Rehabilitation - May be shifted to 2018 pending additional evaluation work occurring this year.
- (6) Funds from property purchase, \$1,300,000, carried over from 2016.

# Budget Amendment Form

Date: APRIL 04, 2017

Amendment # 1

**Contact Information:**

Name/Title/E-mail:                      Rod Price, Engineering Manager  
    Tyler Nice, Systems Engineering Supervisor

**Amendment Type:** *(Check all that Apply)*

Utility: Electric  Water

Category: TYPE 1  TYPE 2  Type 3

**Description and Justification for Budget Amendment:** See Board Backgrounder

<i><b>Category: Type &amp; Description</b></i>	<i><b>2017 Projected Year-End Expenditures</b></i>	<i><b>Amount Currently Budgeted</b></i>	<i><b>Funds Transferred In / (Transferred Out)</b></i>	<i><b>Funding Source (job transfer, reserves, bond funds, new revenue)</b></i>
Customer Funded Capital	\$3,280,000	\$4,938,000	(\$1,658,000)	Reduction in Customer Contribution
Total Type 1 & Type 2 Capital (net of billable work)	\$20,346,000	\$17,839,000	\$2,507,000	Capital Reserve
Electric Type 3 Carmen-Smith Project(s)	\$11,700,000	\$12,960,000	(\$1,260,000)	Carmen Dedicated Funds
<b>Total expenditures</b>	<b>\$35,326,000</b>	<b>\$35,737,000</b>	<b>(\$411,000)</b>	

**Department Manager Approval:** \_\_\_\_\_

**Fiscal Services Supervisor Approval:** \_\_\_\_\_

**Board Approval Date:** \_\_\_\_\_

# Budget Amendment Form

Date: APRIL 04, 2017

Amendment # 2

**Contact Information:**

Name/Title/E-mail: Rod Price, Engineering Manager  
 Wally McCullough, Water Engineering Supervisor

**Amendment Type:** *(Check all that Apply)*

Utility: Electric  Water

Category: TYPE 1  TYPE 2  Type 3

**Description and Justification for Budget Amendment:** See Board Backgrounder

<i><b>Category: Type &amp; Description</b></i>	<i><b>2017 Projected Year-End Expenditures</b></i>	<i><b>Amount Currently Budgeted</b></i>	<i><b>Funds Transferred In / (Transferred Out)</b></i>	<i><b>Funding Source (job transfer, reserves, bond funds, new revenue)</b></i>
Water Type 1 & Type 2 Rate-Funded Capital	\$9,581,000	\$10,817,000	(\$1,236,000)	Capital Reserve
Water Type 2 Bond-Funded Capital (Intake & Reservoirs)	\$2,957,000	\$4,367,000	(\$1,410,000)	Deferred Bond Draw
Water Type 3 Capital (AWS)	\$1,830,000	\$530,000	\$1,300,000	AWS Dedicated Funds
<b>Total</b>	<b>\$14,368,000</b>	<b>\$15,714,000</b>	<b>(\$1,346,000)</b>	

Department Manager Approval: \_\_\_\_\_

Fiscal Services Supervisor Approval: \_\_\_\_\_

Board Approval Date: \_\_\_\_\_